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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 85 (MC2014-34)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-60

NOTICE OF UNITED STATES POSTAL SERVICE OF CHANGE IN PRICES PURSUANT TO AMENDMENT TO PRIORITY MAIL CONTRACT 85 (February 5, 2016)

The Postal Service hereby provides notice that prices under Priority Mail

Contract 85, in the above-captioned proceeding, have changed as contemplated by the
contract's terms. A redacted version of the amendment to Priority Mail Contract 85 is
provided in Attachment A, and the unredacted amendment is being filed under seal.

The amendment will become effective two business days after the day that the
Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE By its attorneys:

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ATTACHMENT A REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 85

AMENDMENT 2 OF 2 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE AND

REGARDING PRIORITY MAIL SERVICE

This amendment amends the Shipping Services Contract dated July 11, 2014, regarding Priority Mail Service, made by and the United States Postal Service ("the Postal Service" and such contract, the "Contract").

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.F and I.G of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.F and I.G in their entirety, as follows:]

I. Terms

- B. This Contract applies to Customer's Priority Mail weight based packages
 - as well as Customer's Priority Mail Flat Rate Boxes and Envelopes, and Priority Mail Regional Rate Boxes ("Contract Packages").
- F. Beginning on the effective date of this Amendment, Customer shall receive a percentage discount off of published Priority Mail Commercial Base prices based on Customer's quarterly volume, as illustrated in Tables 2 through 5 below.







- G. Subsequent Contract Year Prices. In subsequent Contract years, throughout the term of the Contract, Customer shall continue to receive the percentage discounts off the prevailing published Priority Mail Commercial Base prices, based on Customer's quarterly volume of Contract Packages (outlined in Table 2 above). All prices will be calculated by the Postal Service and rounded up to the nearest whole cent.
 - First Quarter prices will be based on Customer's volume of Contract Packages shipped during the Fourth Quarter in Table 1 above, of the prior contract year, pursuant to Section I.F, Tables 2 through 5 above.
 - 2. Second Quarter prices will be based on Customer's volume of Contract Packages shipped during the First Quarter in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.
 - 3. Third Quarter prices will be based on Customer's volume of Contract Packages shipped during the Second Quarter in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.

 Fourth Quarter prices will be based on Customer's volume of Contract Packages shipped during the Third Quarter, as defined in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE
Signed by:
Printed Name: Cliff Rucker
Title: Vice President, Sales
Date: 1-19-16

ATTACHMENT B SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Contract 85

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 85. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven R. Phe ps